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THE PROBLEM OF DEMOBILIZATION

I. INTRODUCTION

The most immediate of the problems which the coming of peace brings is demobilization. If it involved only the discharge of men from the army and the cancellation of government contracts, its solution would be simple enough. But these tasks bring events in their wake, and these events lead to more remote consequences. In fact, since modern warfare involves the whole industrial system, these are but aspects of a comprehensive process of economic organization. The men discharged are to be re-employed; equipment is to be made to serve new needs; and plants are to be converted to new uses. These physical readjustments involve the re-establishment of the organization of trade and industry, the revision of industrial relations between employers and employees, and the reconsideration of the whole scheme of authority and control in the industrial system.

It is manifest that not even a pretentious volume, much less a single article, can follow the ramifications of this problem to its utmost limits. The discussion which follows is limited to a single aspect of the larger issue, namely, that of the transfer of "man power" from emergency to ordinary uses. This implies no disregard of the importance of plant conversion, changes in markets,

the revision of financial arrangements, and like matters. But, to keep the matter within limits, such questions, despite their importance, are formally put to one side. They are recognized in the pages that follow only when they bear very immediately upon the problem of the occupational redistribution of men.

It seems unnecessary to dwell upon the importance of an adequate handling of demobilization. It is enough to say that if the flow of labor back to ordinary occupations be kept in hand, we may avoid a glut of the labor market and the consequences which follow from it. On the contrary, if the process of redistributing labor once gets beyond control, the labor market will be glutted; a large volume of unemployment will result; labor standards painfully built up through many years of peace or under the stress of war will be swept aside; wages in many trades will fall seriously; the purchasing power of the groups which furnish the most stable demand for commodities will be crippled; anticipated profits, which furnish the motive for business enterprise, will be encroached upon; and there will come at least a possibility of a serious industrial depression. That the last event can come without a tendency to "bolshevism" few competent students of the situation believe.

It is the purpose of the discussion which follows to analyze the larger problems of the redistribution of "man power" with the smaller ones which make it up, and to enumerate the contingencies upon which these questions hinge. These contingencies involve matters of factual investigation and matters of undetermined or unannounced policy. Out of such an analysis of the problem, translated into terms of quantity and definite decision, a program for demobilization must spring. It must be premised upon a knowledge of the military forces to be demobilized and the war workers to be involuntarily discharged. It must be carried through by means of a series of administrative decisions based upon constantly changing facts. Its precise terms must await decisions upon many questions of policy. The factual investigations which underlie such a program and the uncertainties in policy by which it is conditioned must be set forth at some length.

In brief, the problem of demobilization involves getting men out of the army and war industry and into ordinary employment. It

cannot be solved as it was in this country at the end of the Civil War and as England so disastrously tried to solve it at the end of the Boer War, by the simple discharge of men from military service and the immediate cancellation of war contracts. Demobilization must be in terms of industrial needs rather than by military units; the nation must be able to furnish employment to men as rapidly as they are mustered out; and discharge from war work must be correlated with civilian re-employment in order to leave to former soldiers and war workers no ugly intervals of idleness and dependency. Within this larger question lie three problems which require specific mention.

1. The first is the problem of the rate of demobilization. It is to establish an equality between the rate at which the army is demobilized and war workers are involuntarily discharged, and the rate at which they can be reabsorbed into industry.

2. The second is the problem of personnel. It is to fit men of varied talents and attainments into positions making varied demands upon them.

3. The third is the problem of mechanism. It is to establish an organization and perfect devices by means of which men and positions may be brought together with dispatch and without waste.

II. THE PROBLEM OF RATE

The problem of rate, as the work implies, concerns the rapidity with which demobilization is effected. How speedily the whole process moves is, perhaps, an affair of no great moment, except as it involves losses in human and material resources through delay in getting them back into ordinary uses. It is much more important that the two principal movements, flow into the labor market and re-employment, should go on at the same rate. To determine what conscious control of these rates is possible we must separate each into its elements and enumerate the contingencies upon which it depends.

1. *The rate of flow into the labor market.*—The flow of labor into the market for employment will, during the demobilization period, be made up of five principal streams. These are: (a) demobilized men now under arms abroad; (b) demobilized men now under

arms in the United States; (*c*) workers involuntarily discharged from munitions industries; (*d*) immigrants; and (*e*) young people coming upon the labor market for the first time. The rate at which each of these streams comes into the market is more or less subject to control. Since the governing factors vary from group to group, each of these rates will have to be discussed separately.

a) The rate of release of men under arms abroad: The rate of release of men under arms abroad depends upon a combination of military and industrial considerations. Of these the most important are military expediency and shipping.

Military expediency is of importance both for determining the time at which demobilization is to begin and for affecting its rate. Men cannot be released so long as the military situation requires their presence under arms; and, when release begins, they can be spared only as the passing of military necessity dictates. Since actual hostilities against an armed enemy are over, the first check upon the rate of release lies in the terms of the armistice which requires the presence for some months of large forces upon the frontier. A second check lies in the necessity of using men for police purposes even after peace in what were recently the Central Empires, in Russia, and in the Balkans. Circumstances now seem to indicate both that this necessity will exist for months or even years and that the work will fall in considerable part to American troops. Incidentally it may be added that military expediency is the limiting factor in the rate of discharge of men under arms abroad only in the event that, or at the times when, men are released less rapidly than available shipping can bring them home. The program for demobilization requires a constantly revised estimate of anticipated military needs abroad.

It is more likely that shipping will prove to be the limiting factor in the release of over-seas men. The rate at which they can be returned can be ascertained only by estimating the tonnage available for transport service during the period of need. This inquiry resolves itself more specifically into the following matters of fact and policy.

The amount of American shipping at the end of the war must be determined. A reasonably accurate anticipation of this at any

future time may be had in terms of prospective building. An estimate must be made of the real increase in transport facilities which can now be effected through a reorganization of shipping. This will include the addition of vessels now used for transport purposes and of cargo ships converted into transports. It will also include gains in tonnage from the discontinuance of circuitous routing and from a separation in the direction of the movement of supplies and men, both of which during the war went in the same direction. Lastly, the amount of shipping available for transport as against trade purposes must be determined. Strong pressure from commercial and shipping men will be used (as it has been during the war) to devote a large part of our merchant marine to capturing trade. In particular, commercial drives will be made upon South America and against Japan in the Orient. On the other hand, the sentiment of the American people will undoubtedly demand a speedy return of the soldiers. This presents a pretty clash over policy between trade and sentiment, and one that requires reduction to precise terms.

The availability of foreign ships for the transport of American soldiers is still undetermined. We relied heavily upon British and neutral tonnage to get our soldiers to France; but it is not certain that they can now be relied upon to get them back. Britain will be under obligations to give preference to the troops of her own colonies. In addition, there will be an insistent mercantilist demand for immediate use of her ships in foreign trade. Whether German vessels, now tied up in her own and neutral ports, will be available is still undecided. A chance to use them may come from their confiscation, from accepting their use as part payment of an indemnity to the Allies, or from an understanding with the successors of our erstwhile enemy. These uncertainties involve so large a percentage of possible tonnage as seriously to affect the rate at which soldiers can be brought home.

The assumption above has been that men are to be mustered out of service as rapidly as the military situation and transportation facilities permit. American sentiment demands the return of husbands and sons with the utmost dispatch. The belief is universal that if they are returned faster than they can be absorbed

into industry it is better to stimulate employment than to retard demobilization. But the possibility of equalizing employment with discharge by checking the rate at which men are mustered out of service is an alternative that must be considered. If it becomes an actuality, shipping ceases to be the limiting factor in the problem. Such a retarded discharge may be the result of conscious policy or it may come about by accident.

If it is decided to demobilize the over-seas men at a rate slower than transport facilities warrant, the movement may be retarded either in Europe or over here. If the delay occurs abroad, soldiers will probably be formed into new units for the industrial reconstruction of Europe or large numbers of them may be given vocational education. These uses are contingent upon understandings with the nations within whose boundaries the work is to be done and upon the formulation of an educational program for the emergency by the government at Washington. It is possible that a combination program of work and study may be undertaken, on the plan of "learning by doing." If the delay occurs in America, as is more probable, the men will be utilized upon public works or taken to cantonments and kept under military control without work. In this event they will be discharged gradually as the increase in the volume of production gives assurance of employment. This, however, raises the query whether the resumption of industry cannot be hastened, to the end that the interval between arrival in this country and discharge from the army be eliminated.

In passing it is worthy of note that unless care be taken, accident may make the rate of discharge slower than transportation facilities allow. Even if our soldiers are returned as fast as possible, there will still be left in France a considerable number who are not needed for military purposes. To avoid the waste of man power they may well be used in reconstruction work. But unless careful attention is given to transport facilities before entering into agreements with France, Belgium, or Russia, the obligations of our government may involve holding men abroad after facilities are available for their return home. Again, there is a chance that the extent of our own public works may hold military units beyond the time when men could find more permanent employment in the expanding industrial

system. In either case the rate of discharge is unintentionally arrested.

b) The rate of release of men under arms here: The rate of release of men under arms in the United States is, perhaps more than any of the other rates, subject to control. It may be decided to speed discharge or to delay discharge according to the amount of available employment. But in view of the popular sentiment demanding a return of kindred, and of political pressure to reduce the national budget with the utmost dispatch, it is doubtful whether discharge of these men can be long delayed. In addition it seems much wiser, as a matter of public policy, if the men cannot be reabsorbed into industry, to utilize their labor effort upon public work of permanent value than to allow it to go to waste. An alternative that will doubtless be considered is training them and sending them overseas to take the place of men longest in service abroad. If transport is the limiting factor in the discharge of the army abroad, such a plan merely accentuates the problem. But if military need controls demobilization, men going abroad make possible a more rapid discharge of the army in Europe. In this event the question ceases to affect the rate of demobilization and becomes one of personnel.

c) The rate of release of war workers: The most troublesome factor in the problem is the rate of release of workers in war industries. The rate of discharge of soldiers is subject to the direct control of a single authority, that of war workers to many. Public opinion, too, is much more concerned with finding positions for returning soldiers than with avoiding the unemployment of men and women at present engaged in industries with a frail hold on life. In addition it is by no means improbable that to those discharged from war industries must be added a host from non-war industries where places have been given to soldiers. Thus one employment problem, instead of being solved, may be translated into another. It is more likely that, because of imperfect control, the war workers will be turned loose to flood the market and that, later, soldiers will be discharged into a market already glutted with surplus labor. Even before the armistice was signed many laborers were discounting discharge by returning to non-war employment.

The change can be avoided and the rate can be controlled only by the establishment of a central agency for the clearance of all contracts and a policy for their gradual cancellation. Even at best this will provide a very uncertain check upon the rate of flow of ex-war workers into the labor market.

d) The rate of immigration: The rate of immigration is subject to control both by conscious decision and by the physical fact of shipping. If we choose we may prohibit all immigration so long as there appears to be danger of an oversupply of labor. Or, instead, we may prohibit the coming of certain types of immigrants most likely to interfere with employment here. In fact, the present law imposes serious handicaps upon the entrance of unskilled labor into this country. In addition it is more than possible that many European countries will impose restrictions upon emigration, despite the desires of many people of the war-ridden countries to come to America. If the discharge of men overseas were to start at once the limited supply of shipping would prove an effective check upon immigration until the army is demobilized. If it is to be delayed for some months, despite the poverty of Europe, there is a prospective flood of immigrants to be faced and an immigration policy to be framed.

e) The rate of entrance of new labor into industry: In addition to the groups mentioned the stream of young men and women seeking employment for the first time will flow on as usual during the demobilization period. The shorter the period of demobilization the fewer of them there will be to be reckoned with. But while their numbers add to the seriousness of the problem, it does not follow that demobilization should be effected slowly merely in order to prevent the problem from being complicated by large numbers of the industrially uninitiated.

Together these factors determine the rate at which workers are to flow into the labor market. Together they determine the rate at which employment must be found for them. Some of the considerations mentioned above can be reduced to definite statement by securing facts more or less accessible. Others depend upon future policy which can be anticipated with fair precision. Still others rest upon events and judgments still too uncertain for any-

thing more than a guess. While such uncertainties prevent an accurate statement of the rate of discharge, it is obvious that the wider the range of information and the more accurate its character, the more fearlessly and intelligently can the problem of controlling the rate of discharge from the army be met.

2. *The rate of absorption into industry.*—The rate at which industry can be made to absorb returning soldiers depends upon considerations fully as uncertain as those mentioned above. It is tied up with a reorganization of an economic system to meet the needs of peace. It has all the uncertainties which accompany a process subject to conscious human control. This rate depends upon the following considerations.

a) The physical capacity of industry: The opinion is quite general that within a comparatively short period the industrial system can easily absorb all of the demobilized soldiers and all discharged war workers. If the "plant capacity" of the country were the only factor determining employment this judgment would probably be correct. But since the industrial system is a highly complex and delicate one many other factors affect employment. Plant capacity at best determines the maximum limit of available employment. The "physical productive capacity of the country" includes farms, mineral resources, factories, commerce and professional and personal service. In each of these cases there is a limit upon the number of men which can be used. Farms might take very large numbers, providing laborers were willing to take the progressively smaller returns which come from intensive cultivation, but an effective check upon agriculture's power of absorption is the unfitness of the great mass of soldiers for farm life. The resources of mines are indefinite, but the fact of limited equipment restricts their demand for labor. While "plant capacity" in manufacturing now runs far larger than ever before, its accommodations for labor are limited by the uselessness of much of it for peace-time production. Likewise commerce, the professions, personal service, and what not are effectively limited in the number of laborers which they can absorb.

b) The organization of the industrial system: The amount of employment inherent in the plant capacity of the country can give

at best only the maximum demand for labor. It by no means follows that this volume will be immediately available or that it will open fast enough to accommodate all who enter the labor market. This maximum can be obtained only if the system is so well organized that all the productive capacity is fully utilized. If business lags, if the "rhythm" of activity is manifest in a period of "low" output following the "peak" of war-time production, if a depression comes, the demand for labor will be far smaller than this calculation shows. It may fall even to the vanishing point. To absorb labor at the proper rate the organization of industry must be working smoothly enough to re-employ rapidly all productive resources. Whether such a process of reorganization can be obtained depends upon the ability of the government to meet the emergency with a wise policy.

Many well-meaning and thoughtful people insist that this maximum determines the effective demand for labor and that no action is necessary to prevent a glut of the labor market during the coming crisis. Despite the fact that men are being rapidly thrown into the market, they believe that "the simple and obvious system of natural liberty" will offer an easy solution. They are content to leave "industrial initiative" to solve the problem or to let the problem take care of itself. They know that, where the government does not interfere, the active impulse in getting labor and capital employed and their several employments organized into an industrial system is the employer's expectation of profits. If he foresees a profitable market for his wares he will hire laborers, buy raw materials, and incur the other expenses of production. This involves employment for laborers, and demand for the goods of other concerns. If he foresees a small market or none at all, he will allow his plant to stand partially or wholly idle and will give employment to few laborers or none at all. Since all other employers do likewise, the problem of employment receives a simple and obvious solution. Thus the effective organization of all its elements into an industrial system is contingent upon a correct anticipation of markets and profits by employers generally. The question is whether this reliance upon the initiative of employers, impelled by anticipated profits, can be depended upon for the reor-

ganization of the industrial system upon a peace basis in the present emergency.

For two reasons this reliance seems misplaced. In the first place ordinary business practice cannot be depended upon speedily to secure the full employment of all productive resources. The end of the war will bring a threat to the employer's profits. The cancellation of government contracts aggregating at least ten billion dollars will rob a large part of the employers of profitable markets. With all due allowance for making up "deferred maintenance" and for renewal of depleted stocks, it seems idle to expect to find an aggregate demand of this size springing up very soon to take its place. The threatened loss to these industries is a threat of a low market to other industries supplying raw material, and of underemployment to the laborers concerned. This discourages buying, which in turn threatens profits. In addition, such disturbance of markets is invariably accompanied by a fall of prices, which further discourages business enterprises and prevents the full utilization of productive resources. From this threat of falling prices not even the best-situated establishments are exempt, for their profits depend upon sales to the employees in establishments now threatened with curtailment or suspension. In the absence of a plan designed to accelerate business enterprise, an industrial depression of greater or less magnitude is threatened, attended by idleness of plants, unemployment of labor, and waste of human and material resources.

In the second place ordinary business practices cannot be depended upon to secure within the period of demobilization a proper distribution of materials and men among different industries. The early end of the war has made it easier for plants to find their way back to peace uses. But if each of the producers supplying a part of the ten billion dollars' worth of goods to the government is to be left to decide for himself what he shall produce, the immediate result will be the overproduction of certain goods by some, the underproduction of other goods by others, and nonproduction by still others who see no profitable markets. The losses attending overproduction will impose a check upon business enterprise and lead to a still further disorganization of the system. Of course sooner or later business will expand and eventually the system can

be made to absorb all the capital and labor, at least all that survives. But this readjustment by a process of trial and error is wasteful and, in view of the magnitude of the task, slow. At best, it is a poor alternative to a carefully formulated plan which approaches the problem as one of industrial organization and attempts to formulate principles for the proper apportionment of men and materials between different industries.

In lieu of this a positive governmental plan seems far better. It should serve the double end of providing "buffer" employment for the surplus labor discharge from the army and of stimulating the resumption of peace-time industry as rapidly as is consistent with stability. The first demand can best be satisfied by a system of public works, such as railroad improvement and extension, irrigation, highways, housing, etc. This can be undertaken by the federal government, by the states, and by municipalities. The second demand can be met by removing the unnecessary uncertainty which employers will face and by quickening the expectation of profit, the motive which speeds the reorganization of industry. To this end the most effective devices are perhaps a plan for conversion of plants to the end that they be properly proportioned in the production of various commodities, a governmental underwriting of the risks of business, and a proper distribution of government orders. The government has the right to prescribe the conditions under which these privileges are extended. It can, therefore, avoid much of the waste of the transition period by making the maintenance of a minimum of labor standards a condition of the extension of credits. Only through the stimulation offered by some such devices can a level of production be maintained which will insure full employment to the men discharged.

c) Estimate of probable demand: It is manifest that any conscious attempt to secure equality between the rate of flow into the labor market and the rate of opening of new employment through conscious control of any of the factors is impossible without at least an approximate estimate of anticipated employment. This involves a double calculation of the total employment eventually to be offered and of that available in the immediate future.

In determining the total it seems reasonable to assume that the industrial system to be re-established will be much like that which prevailed before the war. If we assume that old business will be resumed, that nonessential industries will once more attain their former positions, and that essential industries need no longer practice economy in the use of man power, we shall have a fair basis for the calculation of new employment. The employment figures obtained by a comparison of present with pre-war conditions can be checked by translating a similar comparison of the volume and distribution of production into terms of employment. The results of this hypothesis need to be modified in the light of known factors which will make the new peace-time volume of production and of employment different from that which existed before the war. Among such conditions are the increase in the plant capacity of the country, the retention of the policy of rationing raw materials, the continuance of the war-time practice of granting licenses in foreign trade, the introduction of large numbers of women into many branches of industry, and like changes.

In determining the amount of employment available in the near future, the best point of departure is probably a calculation based upon reports by employers of their future demands for labor. This estimate can be revised in the light of what is known about the government's policy for the cancellation of war contracts together with estimates of future business prospects. In the consideration of the latter many items will have to be taken into account which the business man commonly overlooks. These include such things as the future tax policy, the continuance or noncontinuance of priorities, the future trend of exploitative commerce, and the like. In particular the strange behavior of such things as the course of international values, the domestic price level, and domestic rates of wages, all must appear in the reckoning. Above all, in making the final estimates, careful consideration must be given to the incidence of general business conditions in an era of rapid industrial reorganization upon the fortunes of particular businesses and hence upon the level of employment. Such a calculation can for a time, say three months ahead, be only an approximation. But as the figure

for a date three months hence becomes one for two months and again for one month hence, it can become more and more accurate. Besides, the method of trial and error, with the help of a careful check upon results, will reveal a percentage to be allowed for correction of estimates, and this will gradually become more and more reliable.

d) The control of the demand for labor: Calculations such as these are intended to furnish a basis for a control of the rate of absorption into industry. It must not be forgotten that the larger problem of demobilization is to be solved by equalizing the rate at which industry can absorb men with the rate of flow into the labor market. Absorption must be as rapid as discharge if a glut of the labor market is to be prevented. If it be more rapid, so much the better; for the higher it is, the easier becomes the solution of the problem. The conscious adjustment of the rate to meet the demand for employment raises the following considerations.

In the first place it is necessary to open employment fast enough to accommodate the total flow into the labor market. A policy which accommodates the surplus from the army by denying employment to discharged munitions workers defeats its own ends. Accordingly, if the problem is not to be muddled, the rate of total absorption must be much higher than that of the discharge of soldiers. It need not be high enough to absorb both bodies; for large numbers of the laborers will be set to new work in the establishments in which they are employed, and many war workers, lured into industry for the time by high wages or patriotic motives, will voluntarily retire. But how large this volume will be and at what rate it will open needs to be determined as definitely as possible. In passing it is of note that while discharged soldiers will come upon the labor market in a steady flow, the munitions workers are likely to be thrust upon it pell-mell in a body. In fact the crux of the problem is to prevent the disorganization of the labor market which the discharge of this large body of civilian workers threatens.

In the second place the rate of absorption can be increased by a conscious policy aiming at a maintenance of the level of production and of employment. The underwriting of production risks, the apportionment of government orders, the careful planning of

the cancellation of government contracts, and like devices, already suggested in other connections, are means to this end.

In the third place a temporary check upon the rate of flow into the labor market may be provided through buffer employment. National, state, and municipal governments alike need public works. Railroad extension and deferred maintenance, waterways, road construction and repairs, housing, public utilities of one kind and another are all worth undertaking. These expenditures are all subject to conscious public control. They can be made to yield employment just at a time when the threat of a glut of the labor market is most acute. Since the control which sanctions the project can also impose conditions these operations can be used to stabilize and standardize conditions of labor. But if these undertakings are left to the separate action of one federal government, forty-eight distinct states, and two hundred cities, the very purpose which they are to serve will be seriously impaired. There is every reason for thinking that under so many separate plans the volume of employment will not progressively correspond to the need for it. Without interfering in the least with the right of state or city to spend its money for what it likes, a consistent plan can be recommended to these varied authorities specifying the time at which each should begin its public works. By this device of "staggering" public works, employment can be found for the excess of labor which industry cannot take, it can expand as this surplus increases, contract as it contracts, and gradually pass off into nothing as the resumption of the ordinary industry of the country makes buffer employment unnecessary.

To sum up, it is clear that the rate of absorption into industry is the active and variable factor in the demobilization problem. It must be adjusted to the rate of discharge from the army as well as the reverse. This can be done by the use of public works and a governmental plan for the speedy return of industry to a peace footing. This involves no policy of meddling on the part of the state. It implies no undue extension of control after the transition to peace has once been effected. It is a mere device of effective organization for meeting a crisis as grave as that presented by the war itself.

III. THE PROBLEM OF PERSONNEL

Within the confines of this larger problem lie a multitude of particular problems relating to the adjustment of men and tasks. In the transition to peace there is grave danger of a reckless sacrifice of human and material resources. If this is to be avoided, men must be put into positions for which their aptitudes and training fit them, and tasks must be assigned to those competent to fill them. To accomplish this the discharged soldiers must be distributed into occupational groups and the employment made available must be similarly classified. On this basis for each of the many groups an equality must be established between the rate of discharge and the rate of absorption into industry. This task falls naturally into several parts, each calling for inquiry or decision.

1. *The collection of information.*—A series of adjustments, as comprehensive and delicate as these, can be made only on the basis of the most comprehensive and accurate information. This involves a classification alike of personnel and of positions.

An adequate basis for the division of men into occupational and local groups is to be found in the work already done by the Committee on Classification of Personnel in the army. But since the object of classification in the demobilization period will be the utilization of men in an industrial system organized for peace, it will doubtless have to be amplified and revised. It is evident, for instance, that the pre-war experience of the soldier and his preference of work should count more heavily than they do now. Since he must have a choice of work and of residence, there must be a cross-classification by localities in which soldiers prefer to settle. In all of this the revision of present lists must be guided by the fact that the classification is to be used for civilian rather than for military purposes.

In a similar way a classification must be made of employment available at the end of the war in terms of demand by occupation and by locality. It is important that this also include the time at which various groups of positions will become available.

2. *The adjustment of men and places.*—Such a census of men and employment will doubtless reveal many discrepancies between the sizes of occupational groups and the number of positions available

for them. If the classification of employment is limited to only those jobs which will be available at the end of the war in case the government furnishes no aid, its volume will probably be found inadequate. For these reasons the most careful foresight is necessary to insure the closest approach to an equality between the supply of and the demand for particular kinds of labor.

To this end of closer equality occupational and local groups can be adjusted in response to the distribution of the demand for labor. A classification of men, not only by occupations for which they are best fitted, but also in terms of the alternative employments in which they can engage, gives a wide margin for adjustment. In addition the skill and training of the men are not unchangeable. If an accurate estimate can be made of the distribution of employment at the end of the war, a system of vocational education may be used to increase the numbers in the occupational groups for which the demand is heaviest at the expense of groups less sought after. The comparatively slow rate at which the army will be demobilized gives ample time for the use of a system of this kind.

In a similar way employment can, within prescribed limits, be adjusted to the capacities of the men. To that end each position available should be listed in terms of the occupational qualifications best suited, and those next best suited, to fill it. More important still, the employment made available by government action can be adapted to the distribution of skill and training among the men to be discharged. A careful comparison of the employment which will come without government action, distributed by occupations and localities, with the personnel of the army, similarly distributed, will reveal the greater shortages in the demand for particular types of labor and in particular places. These shortages can be taken into account in formulating a plan designed to maintain the level of production and of employment during the transition period. This plan must provide for types of skilled labor which otherwise will be without a market. In particular it is of note that the war has brought about a great increase in the number of the semi-skilled, particularly in the mechanical arts, for which some provision must be made.

3. *The complication of non-economic factors.*—These problems of personnel are complicated by considerations of a personal and community character. Shall priority in discharge be given to the man who has a business of his own at home, a job promised him there, or independent means and a willingness to shift for himself? Shall prospective soldiers of fortune who wish to see Europe or students who wish to enter European institutions be mustered out of service on the other side? Shall married men be allowed to plead their status to gain an early return and shall those who have wives in France, England, or Ireland be counted, for this purpose, as “married men”? These questions are typical of many which must be cleared up before the personnel question can be settled.

In addition, various community problems enter to confuse the matter. Housing, school facilities, decent working and living conditions, are of importance in the allocation of men. At a time when the government exercises such control over man power it is inconceivable that it should use a plan for returning soldiers to civil life which does not rest upon a determination to place them in such a way that they will have a chance to live healthy, decent, well-rounded lives and to be socially minded residents in their respective communities.

IV. THE PROBLEM OF MECHANISM

The third of the problems of demobilization is that of creating a mechanism for the return of the soldiers to civil life. Demobilization will involve not so much legislation as a series of administrative judgments, and its success will depend upon the quickness with which these can be made. This depends in the last analysis upon the range and accuracy of information at hand and upon a mechanism for translating judgments into accomplishments. This mechanism must be at once comprehensive, flexible, and simple. It must include an organization and all the devices necessary for handling the men from the time their military duties are done until they are again permanently re-employed. It involves an agreement between the War and Labor departments upon a common nomenclature of occupational terms. It may necessitate the completion of the process of demobilization upon shipboard to avoid

delay in port. It will probably involve the reorganization of the army into new units, based upon occupational status, for demobilization purposes. Above all, the mechanism established must give expression to the fact that three thousand miles separate the main stream of new laborers and their new jobs, that inevitable delays will be experienced in placing men, and that expedition is the essential requirement of successful demobilization.

V. THE END OF THE MATTER

The purpose of this discussion has been to indicate the nature of the problem of demobilization, to resolve it into its various parts, and to point out the contingencies of fact and policy, determined or undetermined, upon which its solution must rest. The translation of the program into terms of procedure and the allocation of the various tasks among the various governmental agencies which ramify from Washington are things of no interest to the reader of this article.

Inevitably the question will be raised whether the problem can be handled in such a way as to prevent a glut of the labor market and its attendant consequences in the waste of human and material resources. To this question an uncertain answer must be given. Fortunately several factors point to a favorable solution. There is every evidence that the discharge of men under arms abroad will come slowly. The cancellation of government contracts and the indirect release of war workers is likely to be retarded. In deferred maintenance, in retarded industrial expansion, in depleted stocks, there is a considerable potential demand for goods that may immediately be quickened into actuality and into employment.

But, when all is said, it cannot be overlooked that at bottom the problem is one of the rapid reorganization of an industrial system in which guidance resides in pecuniary motivation. It must readily be granted that the physical capacity of the country holds places enough and to spare for all our displaced laborers. But ordinary business principles and individual initiative cannot be depended upon to secure the desired result without great delay and great waste. A program of control can succeed. But, to be effective,

it must be based upon the most comprehensive and the most up-to-date information, it must combine harmoniously a series of closely related policies, and it must involve the most capable co-ordination of effort to a single end among a large number of governmental agencies. Its success is contingent upon a series of quick administrative decisions adapted to the rapidly changing circumstances of the problem.

Its success is rendered all the more uncertain by three other eternal factors which confuse the problem. The first is public opinion. In its ignorance of industrial organization and its disregard of the questions involved in the problem it will cry out for a rate of speed which will tend toward industrial disorganization. The second factor is political pressure. By congressional fiat some of the issues of the problem are already beyond administrative control. Others run counter to the laudable ambition of many congressional leaders to get out of the war with the utmost dispatch and to stop expenditure at the earliest moment. The third factor is that of administrative personnel. A program must be converted into action by men many of whom are too much concerned with the prestige of their own departments to do effective co-operative work. More serious still, it has always been unfortunately true that many administrators can deal with a problem only after it has been converted into a series of contacts with people who count, and consequently has become a mere means to personal prestige. But, however these factors may count in the balance of forces for or against an intelligent solution of the problem, we shall see what we shall see.